Supreme Court, U.S.
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No. 98-149

IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

COLLEGE SAVINGS BANK,

Petitioner,

v.

FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Third Circuit

BRIEF AMICUS CURIAE OF THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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QUESTIONS PRESENTED

1. Does this Court's decision in *Parden v. Terminal Railway*, 377 U.S. 184 (1964), recognizing the doctrine of constructive waiver of Eleventh Amendment immunity, remain good law in light of the subsequent decisions of this Court?

2. Does the doctrine of constructive waiver reflect appropriate principles of constitutional law, federalism and social policy?

3. Does a State's filing of a counterclaim in a Lanham Act false advertising action brought against it in federal court constitute a waiver of the State's Eleventh Amendment immunity?

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BRIEF AMICUS CURIAE OF THE INTERNATIONAL TRADEMARK ASSOCIATION

This brief is submitted on behalf of the International Trademark Association (INTA) as amicus curiae in the above action, in support of Petitioner. It is submitted with the permission of the parties.

INTA submits its brief in this important Lanham Act case in order respectfully to urge this Court to recognize the continued vitality, both as a matter of doctrine and constitutional policy, of the principle of constructive waiver of a State's immunity from suit under the Eleventh Amendment, recognized initially in *Parden v. Terminal Railway*, 377 U.S. 184 (1964). INTA further respectfully asks this Court to hold that the action of Respondent in choosing to establish a system for the financing of private higher education constitutes the type of non-core voluntary activity on the part of the State that constitutes a waiver of Eleventh Amendment immunity under the circumstances of the present case. Finally, INTA respectfully asks this Court to hold that, by filing a counterclaim and arguing Lanham Act support for it, Respondent has waived its Eleventh Amendment immunity under the principle established in *Clark v. Barnard*, 108 U.S. 436 (1883).[1] The claim should be allowed to proceed, and the Respondent should be held to the same Lanham Act standards as a private, for-profit, business.

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[1] INTA takes no position here on the power of Congress under section 5 of the Fourteenth Amendment to enact the Trademark Remedy Clarification Act of 1992, Pub. L. No. 102-542, 106 Stat. 3567 (1992), an amendment to the Lanham Act, 15 U.S.C. §1051 *et seq.*

INTEREST OF THE AMICUS[2]

INTA is a 120-year-old, not-for-profit, worldwide organization representing over 3,700 corporations, law firms, and professional associations in over 120 countries. INTA's membership, which crosses all industry lines and includes both manufacturers and retailers, recognizes the essential role that trademarks and protection against unfair competition play in promoting effective commerce, protecting the interests of consumers, and encouraging free trade and fair competition. INTA therefore has a special interest in the rigorous enforcement of the protections granted in the Lanham Act. The fifty-two-year-old Act, a strong pronouncement of federal public policy, outlaws a wide variety of commercial wrongs, such as trademark and trade dress infringement, dilution of the distinctiveness of famous marks, counterfeiting, and false or deceptive advertising.

ARGUMENT

THE DOCTRINE OF CONSTRUCTIVE WAIVER OF ELEVENTH AMENDMENT IMMUNITY REMAINS CONTROLLING PRECEDENT IN THIS COURT.

It is well established that a State may waive its immunity to suit under the Eleventh Amendment. See *Clark v. Barnard*, 108 U.S. 436 (1883). See also *Atascadero State Hospital v. Scandon*, 473 U.S. 234, 238

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[2] Pursuant to Rule 37.6, *amicus curiae* states that this brief was not authored, in whole or in part, by counsel to a party and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the *amicus curiae* or its counsel.

(1985) ("if a State waives its immunity and consents to suit in federal court, the Eleventh Amendment does not bar the action"). This principle derives from long recognized historical practice, under which the sovereign has always been able to waive its sovereign immunity against suit. See Erwin Chemerinsky, Federal Jurisdiction 7.6 (2d ed. 1994). The ability of a State to waive its Eleventh Amendment immunity has remained unquestioned, regardless of the scope of that immunity.

While it has always been recognized that a State may directly and expressly waive its Eleventh Amendment immunity, this Court has long recognized that a State may also waive its immunity through its actions, rather than merely through express disavowal. For example, in *Clark v. Barnard*, 108 U.S. 436 (1883), this Court rejected Rhode Island's assertion of Eleventh Amendment immunity, because of the voluntary appearance of the state in intervening as a claimant of the fund in court. *Id.* at 447. This Court held that such an appearance constituted a waiver of immunity, even though at no point had Rhode Island openly waived its immunity. Indeed, Rhode Island had vigorously asserted its sovereign immunity by challenging jurisdiction on Eleventh Amendment grounds. *Id.* at 445. This Court nevertheless held that by its own voluntary action of asserting a claim to the fund in question, the State had implicitly but unambiguously waived its immunity against suit.

In *Parden v. Terminal Railway*, 377 U.S. 184 (1964), this Court recognized that a State may implicitly waive its Eleventh Amendment immunity through voluntary actions beyond the narrow context of litigation participation. There this Court held that "Alabama, when it began operation of an interstate railroad approximately

20 years after enactment of the [Federal Employers Liability Act], necessarily consented to such suit as was authorized by that Act." *Id.* at 192. By enacting the FELA, this Court reasoned, "Congress conditioned the right to operate a railroad in interstate commerce upon amenability to suit in federal court as provided by the Act; by thereafter operating a railroad in interstate commerce, Alabama must be taken to have accepted that condition and thus to have consented to suit." *Id.*

In recognizing the validity of constructive waiver, this Court was careful to emphasize that such recognition in no way undermined the fundamental principle of Eleventh Amendment immunity: It remains the law that a State may not be sued by an individual without its consent. *Id.* However, "[t]hat Congress could not make a State suable upon all causes of action does not mean that it cannot do so with respect to this particular cause of action, where imposition of such liability is within its power to regulate commerce and where the State, by operating a railroad in interstate commerce, has voluntarily submitted itself to that power." *Id.* at 193, n.11.

Since *Parden*, this Court has expressly overruled that portion of the decision holding that in the Federal Employers Liability Act Congress had evinced the requisite intent to subject the States to suit. *Welch v. Texas Department of Highways and Public Transportation*, 483 U.S. 468, 475-76 (1987). After *Welch*, Congress must express its intent to condition State activity on the waiver of immunity by means of a clear statement. As the court below held, the statute challenged in this case, the Trademark Remedy Clarification Act of 1992 amendment to the Lanham Act, surely manifests that

intent. *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 131 F.3d 353, 357 (3d Cir. 1997). It specifically provides that "any State, and any such [State] instrumentality, shall be subject to the provisions of this [Lanham] Act in the same manner and to the same extent as any nongovernmental entity." 15 U.S.C. §1127. And at no point has this Court ever overruled the portion of *Parden* recognizing congressional power to condition a State's decision to participate in certain activities on the waiver of State immunity.

In decisions completely unrelated to the *Parden* waiver issue, this Court has wavered over the extent of Congress's power directly to abrogate State immunity pursuant to its authority under Article I, section 8 of the Constitution. A plurality of this Court expressed the view in *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989), that Congress possessed power to abrogate State immunity pursuant to the Commerce Clause, Art. I, sec. 8, cl. 3. However, in *Seminole Tribe of Florida v. Florida,* 517 U.S. 44 (1996), this Court concluded that "the plurality's reasoning in *Union Gas* deviated sharply from our established federalism jurisprudence. . . ." *Id.* at 63. This Court therefore held that, other than through its power under section 5 of the Fourteenth Amendment, Congress lacked constitutional authority directly to abrogate State immunity. It is important to note, however, that at no point did the Court in *Seminole Tribe* provide any indication that the principle of constructive waiver recognized in *Parden* was no longer good law. The issue was simply not before the Court in the *Seminole Tribe* case.

Nor is there any reason to believe that the constructive waiver doctrine of *Parden* is somehow inherently inconsistent with either the reasoning or holding of this Court in *Seminole Tribe*. One may reach this conclusion, simply by noting the indisputable fact that regardless of the scope of Eleventh Amendment State immunity, a State still retains authority to waive that immunity. This is as true after *Seminole Tribe* as it was before that decision. Thus, the fact that this Court in *Seminole Tribe* extended the scope of sovereign immunity beyond what it arguably was after *Union Gas* is wholly irrelevant to the question of the scope of a State's power to waive that immunity.

That the scope of a State's power to waive constitutional protection against federal incursion is completely divorced from the substantive scope of that protection is conclusively proven by this Court's decisions construing both the Tenth Amendment protection of State's rights and the ability of States to waive that protection. In recent years, this Court has significantly extended the scope of the Tenth Amendments protection of State's rights. Compare *Printz v. United States*, 521 U.S. 98 (1997); *United States v. Lopez*, 514 U.S. 549 (1995), with *Garcia v. San Antonio Metropolitan Transit Authority*, 469 U.S. 528 (1985). However, this Court has continued to recognize that Congress may condition the receipt of federal benefits by the States on the States' willingness to comply with related federal directives, even when—because of the Tenth Amendment—Congress lacked power to impose such directives on the States directly. See *South Dakota v. Dole*, 483 U.S. 203, 206 (1987) (Congress may attach conditions on the receipt of federal funds, and has repeatedly employed the

power to further broad policy objectives by conditioning receipt of federal moneys upon compliance by the recipient with federal statutory and administrative directives. *Fullilove v. Klutznick*, 448 U.S. 448, 474 (1980)).[3] Recognition of such waiver in no way violates the Tenth Amendment, this Court has reasoned, because "the State could . . . adopt the simple expedient of not yielding to what she urges is federal coercion. The offer of benefits to a state by the United States dependent upon cooperation by the state with federal plans, assumedly for the general welfare, is not unusual." *South Dakota v. Dole*, 483 U.S. at 210, quoting *Oklahoma v. Civil Service Commission*, 330 U.S. 127, 143-44 (1947). See also *Steward Machine Co. v. Davis*, 301 U.S. 548, 595 (1937) ("There is only a condition which the state is free at pleasure to disregard or to fulfill.").

Thus, nothing in *Seminole Tribe*'s extension of State immunity under the Eleventh Amendment necessarily implies alteration of the scope of controlling waiver doctrine. As long as the State is free to accept or reject the condition set down by the federal government, conditional waiver of Eleventh Amendment immunity is no less acceptable, as a matter of either logic or constitutional theory, than conditional waiver of Tenth

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[3] Although in *Dole* Congress was acting pursuant to its spending power under Article I, section 8, clause 1 of the Constitution, the particular Article I power being exercised by Congress does not alter the irrefutable fact that Congress lacked constitutional power directly to impose its directive on unwilling States. Thus, the result of *Dole* is that Congress may condition the receipt of benefits on the States' acceptance of conditions that Congress would lack the constitutional power to impose in the form of direct regulation.

Amendment protection. It should not be surprising, then, that a number of lower courts have recognized the continuing vitality of the *Parden* constructive waiver doctrine, even after *Seminole Tribe*. See, e.g., *Premo v. Martin*, 119 F.3d 764, 770-71 (9th Cir. 1997), cert. denied, 118 S.Ct. 1163 (1998) (implied waiver by state participation in cooperative federal-state program where participation expressly conditioned upon submitting to federal judicial review of grievance arbitration); *U.S. West Communications, Inc. v. TCG Seattle*, 971 F. Supp. 1365, 1369-70 (W.D. Wash. 1997) (same).[4]

Indeed, the decision in *Seminole Tribe* actually has the effect of *revitalizing Parden*'s constructive waiver doctrine. Under the Eleventh Amendment interpretation adopted in *Union Gas*, it should be recalled, Congress may unilaterally revoke State immunity pursuant to its powers under Article I, section 8. Pursuant to this view of congressional power, the doctrine of constructive waiver is effectively rendered moot: When Congress may unilaterally revoke State immunity, there will exist no need for Congress to induce voluntary State compliance with its directives. It is, then, only after this Court significantly restricted congressional power unilaterally to revoke immunity that the doctrine of

[4] Other courts, while refusing to find that Congress had explicitly intended to impose conditional waiver on the States, nevertheless proceeded on the assumption that constructive waiver remains valid in the abstract. See, e.g., *Booth v. Maryland*, 112 F.3d 139, 145 (4th Cir. 1997), cert. denied, 118 S. Ct. 2063 (1998); *Mills v. Maine*, 118 F.3d 37, 45 (1st Cir. 1997).

constructive waiver can play a significant role in Eleventh Amendment interpretation.[5]

Thus, nothing in this Court's decisions since *Parden* in any way undermines that decision's recognition of Congress's power, through the expression of a clear statement of its intent, to condition a voluntary State activity on the waiver of the State's Eleventh Amendment immunity. Therefore the doctrine of constructive waiver retains full protection of the doctrine of *stare decisis*, a doctrine of "central importance . . . in this Court's jurisprudence." *Hilton v. South Carolina Public Railways Commission*, 502 U.S. 197, 201 (1991). Adherence to precedent, this Court has wisely concluded, promotes stability, predictability, and respect for judicial authority. *Id.* at 202. See also *Vasquez v. Hillery*, 474 U.S. 254, 265-66 (1986). Hence, this Court will not depart from the doctrine of *stare decisis* without some compelling justification. *Hilton v. South Carolina Public Railways Commission*, 502 U.S. at 202. See also *Arizona v. Rumsey*, 467 U.S. 203, 212 (1984).

No such compelling justification exists to support abandonment of the doctrine of constructive waiver. Indeed, as the following section will demonstrate, constructive waiver represents appropriate precepts of constitutional federalism and social policy. Thus, *stare decisis* dictates continued adherence to the constructive waiver doctrine.

[5] That the extension of Eleventh Amendment immunity in *Seminole Tribe* in no way alters the scope of the constructive waiver doctrine is underscored by the fact that the conclusion of *Seminole Tribe* is no different from the governing state of Eleventh Amendment interpretation in 1964, when *Parden* was decided.

THE DOCTRINE OF CONSTRUCTIVE WAIVER REFLECTS VALID PRINCIPLES OF CONSTITUTIONAL FEDERALISM AND SOCIAL POLICY, AND HERE WILL LEVEL THE PLAYING FIELD FOR STATES AND THEIR PRIVATE SECTOR COMPETITORS.

This Court should adhere to the controlling doctrine of constructive waiver, not only because of considerations of *stare decisis* but also because the doctrine reflects valid principles of federalism, fairness, and social policy. For much the same reasons that this Court has continued to recognize the validity of the doctrine of constructive waiver in the context of Tenth Amendment limitations on congressional power, it should recognize the continuing validity of constructive waiver in the interpretation of the Eleventh Amendment.

Both the Tenth and Eleventh Amendments place clearly defined limitations on congressional power unilaterally to burden State power. However, in both contexts the doctrine of constructive waiver recognizes the ability of the federal government to seek to induce voluntary State compliance with federally determined social policy, such as that reflected in the Lanham Act, in situations in which the federal government lacks power directly to demand State compliance.

Such tacit systemic bargaining must be distinguished from the governmental imposition of so-called unconstitutional conditions on private individuals. When government conditions an individual's receipt of benefits on the individual's waiver of constitutional rights, it violates the social contract by circumventing the countermajoritarian protections that have been adopted both to avoid tyranny and to assure the continued operation of the constitutional democratic system. Moreover, to suggest that an individual's waiver in such contexts could be truly voluntary ignores the enormous disparity of bargaining power that pervades most interactions between government and private individuals. In contrast, the States function as powerful and integral units within the structure of the nation's political system.

This does not mean, of course, that the States are somehow deprived of the express constitutional protections given them in the Tenth and Eleventh Amendments against federal overreaching. It does mean, however, that States should be deemed capable of deciding whether or not to waive those constitutional protections in exchange for either a federally dispensed benefit or the ability to enter the realm of private competition in areas already subject both to federal regulation and federal protection. In this manner, the federal government is able to effectuate and protect fundamental notions of federal social policy by extending them to State actors, without unconstitutionally encroaching on State power or coercively burdening the States' performance of its governing function.

Congress's decision in the Trademark Remedy Clarification Act of 1992 to extend the Lanham Act's protections and restrictions to relevant State activity effectively illustrates the beneficial impact of this form of intersystemic compromise. As the court below stated, "[o]ne of the main purposes of section 43 of the Lanham Act is to protect persons engaged in interstate commerce against unfair competition caused by false or misleading representations or advertising about goods, services or commercial activities." 131 F.3d at 357. And there is little question that States regularly engage in activities that can generate acts of unfair competition.

For example, States aggressively market and promote lotteries and other forms of gambling, athletics, liquor sales, tourism, and many other forms of commercial, income-producing activities. The greater the financial reward, the more there exists a climate for States to infringe trademarks and to engage in false advertising, to the detriment and injury of private parties. If Congress were unable to subject them to suit for such activity prohibited by the Lanham Act, our system would be left with the anomalous and unfair result that States that choose to engage in activity subject to Lanham Act regulation, unlike their private competitors, would be insulated from federal judicial action to check their illegal activity. Surely, Congress should not be required to tolerate such indefensible inequality, unfairness and disruption of federal uniformity and federally defined social policy.

When a State chooses to enter an area that is traditionally the province of private competition, subject to federal regulation and protection, Congress must be permitted to condition a State's entrance on the State's willingness to obey the same rules that its private competitors must follow. Properly employed, the doctrine of constructive waiver of Eleventh Amendment immunity does no more nor less than provide a level playing field for States and their private competitors. What could be more fair?

In what can only be described as supreme irony, States have access to the federal courts to protect their Lanham Act rights against private industry, and do not hesitate to take advantage of it, while private sector Lanham Act claimants have no corresponding rights against the States. See, e.g., *Univ. of Georgia Athletic*

Ass'n v. Laite, 756 F.2d 1535 (11th Cir. 1985) (affirming judgment in favor of State University's Lanham Act claims). Indeed, the State of Florida itself has initiated Lanham Act suits. See, e.g., *Univ. of Florida v. KPB, Inc.*, 89 F.3d 773 (11th Cir. 1996) (denying University of Florida's unfair competition claim under Section 43(a) of the Lanham Act); *State of Florida v. Real Juices, Inc.*, 330 F.Supp. 428 (M.D. Fla. 1971) (granting preliminary injunction to State of Florida on claims under Section 43(a) of the Lanham Act). There is, then, something fundamentally wrong with a legal system which protects the States at the same time it immunizes them from suits brought to redress their Lanham Act violations against private sector competitors.

The doctrine of constructive waiver rectifies this situation, without allowing Congress coercively to burden State power in an unconstitutional manner. If the State finds the federally imposed restrictions unacceptable, it always retains the option simply not to reach beyond the scope of its traditional governmental authority. As already noted, this Court has long recognized the validity of such a practice in the context of States' Tenth Amendment rights. There exists absolutely no reason to treat the context of Eleventh Amendment immunity in a different manner.

THE STATE'S DECISION TO PROVIDE A FINANCING SCHEME FOR HIGHER EDUCATION RENDERS THE STATE SUBJECT TO SUIT UNDER THE CONSTRUCTIVE WAIVER DOCTRINE.

A necessary element of the constructive waiver doctrine is the State's ability to reject the federal inducement to waive its Eleventh Amendment immunity. If

the State has no real option to decline to engage in the activity in question, then no inference of consent may properly be drawn from the State's entrance into the activity. At the same time, to construe the scope of voluntary State behavior in an unduly narrow manner would effectively destroy the beneficial results that can flow from congressional use of constructive waiver.

In the Tenth Amendment context, this Court has been careful to discern the difference between State coercion and State choice. For example, in *South Dakota v. Dole*, 483 U.S. 203 (1987), this Court found that when Congress conditioned receipt of 5% of available highway funds on the State's agreement to raise its drinking age to 21, "the argument as to coercion is shown to be more rhetoric than fact." *Id.* at 211. As this Court had said earlier in a similar context, "to hold that motive or temptation is equivalent to coercion is to plunge the law in endless difficulties. . . . Till now the law has been guided by a robust common sense which assumes the freedom of the will as a working hypothesis in the solution of its problems." *Steward Machine Co. v. Davis*, 301 U.S. 548, 589-90 (1937).

In applying constructive waiver to the Eleventh Amendment, the question of State voluntariness has to this point been resolved by examining whether the activity in question amounts to a core governmental function. For if the activity can be so characterized, then the State can have no real option to decline to engage in that activity.

Applying this reasoning, this Court in *Employees of Department of Public Health & Welfare v. Department of Public Health & Welfare*, 411 U.S. 279 (1973), de-

clined to find constructive waiver to Missouri's continued operation of non-profit hospitals and other facilities as to suits by employees under the Fair Labor Standards Act. This Court did so, in part because to infer consent from a State's performance of such traditionally governmental operations would necessarily extend to suits by all state employees. *Id.* at 284-85. See *Abril v. Virginia*, 145 F.3d 182, 190 (4th Cir. 1998), where the court suggested that "[t]he obvious rationale [for the Court's refusal to apply waiver in *Employees*] was that such a wide-ranging waiver could not fairly be implied from no more than a state's continued employment of people to conduct traditional governmental operations, there being no real choice in the matter."

In *Employees*, this Court distinguished *Parden*, in part, on the grounds that the State activity in that case had involved an enterprise operated for profit in an area where private persons and corporations normally ran the enterprise. 411 U.S. at 284. Thus, where the State does nothing more than continue traditional non-commercial governmental operations, no waiver may be implied. *Abril v. Virginia*, 145 F.3d at 190. See also *Digiore v. Illinois*, 962 F.Supp. 1064, 1075-76 (N.D. Ill. 1997) ("[a] state can hardly manifest consent to suit by . . . hiring and paying its employees, activities that the state has but little choice to engage in.").

The commercial activity undertaken by the State of Florida in the present case is a far cry from the fundamental governmental functions performed, not for profit, by the State of Missouri in *Employees*. In the words of the court below, "[t]he State of Florida created . . . Florida Prepaid to *market and sell* tuition prepayment programs designed to provide sufficient funds to

cover future college expenses." 131 F.3d at 355 (emphasis added). This is effectively identical to the private, commercial activity in which Petitioner and other private entities engage. See *id.* (CSB sells "CD's which are deposit contracts designed to provide sufficient funds to cover future costs of college education."). Thus, the State's activity in question is one not traditionally performed by the State and in fact has been traditionally performed by private commercial enterprises. The State's activity is therefore analogous to the decision by the State of Alabama to operate a profit-making railroad in *Parden*, not the traditional, core governmental functions performed by the State of Missouri involved in *Employees*.

The court below found the State's activity to fall within the concept of core governmental functions, because making available education opportunities is a function traditionally performed by government. 131 F.3d at 363-64. If the issue involved the operation of public schools at the elementary, secondary or higher education levels, this conclusion would be accurate. However, to characterize the State's activity in this case as an element of the government's traditional educational function defines the relevant category of activity much too broadly. In the present case, the State is aiding education in the exact same sense in which any private enterprise that finances private education for profit aids education. The *effect* of the activity may be to assist the educational process, but the *activity itself* is nothing more than the performance of a traditionally private, commercial activity. If this State activity is characterized as a core function, it would be difficult to imagine an activity that would not be so characterized,

for no reason other than the circular one that the State had chosen to engage in it.

To be sure, the State may appropriately discern an important public interest to be served by the activity in question. Presumably, the State of Alabama believed that an important public interest was being served by its operation of its own railroad. Indeed, a state presumably does not act unless it deems its actions to be in the public interest. Hence such a definition of core governmental function would be so broad as effectively to destroy the constructive waiver doctrine.

Under the premises of a capitalistic system, even private profit-making activity will often have the effect of serving the public interest. Thus, the fact that the State has chosen to engage in an activity in order to further the public interest cannot, in and of itself, render the activity a core governmental function.

BY FILING A COUNTERCLAIM IN THE PRESENT ACTION, THE STATE WAIVED ITS ELEVENTH AMENDMENT IMMUNITY.

The court below refused to find that by filing a counterclaim in the present case,[6] the State of Florida had

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[6] Respondent's counterclaim was not specifically based on the Lanham Act. *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 919 F.Supp. 756, 763 (D. N.J. 1996). However, it argued, unsuccessfully, that a 1988 Lanham Act amendment supported its common law claims because the amendment supported Petitioner's claim and "it would be unfair to deny it the same legal right." *Id.* at 765. It would be equally unfair to allow the State of Florida to bring Lanham Act cases in federal court against private litigants but deny private litigants like Petitioner the same legal right to bring Lanham Act cases against the State of Florida.

waived its Eleventh Amendment immunity. It reached this conclusion, because as a jurisdictional issue, the defense of sovereign immunity may be raised at any time during the pending case. 131 F.3d at 365. In so holding, however, the court below ignored unambiguous and controlling precedent of this Court, and in any event confused the waiver of sovereign immunity with the waiver of the *defense* of sovereign immunity.

The conclusion of the court below runs directly contrary to the decision of this Court in *Clark v. Barnard*, 108 U.S. 436 (1883). There this Court found that the State of Rhode Island had waived its sovereign immunity by entering a claim to the fund in question. The Court reached this conclusion, even though from the outset of the case the State had objected to the assertion of jurisdiction against it on grounds of sovereign immunity. 108 U.S. at 447-48. In the present case, the State's filing of a counterclaim is fundamentally identical to Rhode Island's filing of a claim against the fund—the very activity that this Court in *Clark* found to constitute a waiver of the State's sovereign immunity.

The court below was correct in asserting that an objection to subject matter jurisdiction is never waivable. See Fed. R. Civ. P. 12(h)(3). However, the issue here is not whether a party to a litigation had waived its defense to jurisdiction by failing to raise that defense in a timely manner. The issue, rather, is whether, by filing its counterclaim, the State has created a situation in which it no longer possesses an objection to jurisdiction in the first place. The defense of sovereign immunity applies only to suit against a *non-consenting* State. If, by filing its counterclaim, the State is held to have implicitly consented to suit (as this Court held in

Clark), then once the counterclaim is filed the suit no longer violates sovereign immunity. Under these circumstances, then, once the counterclaim is filed there no longer exists an objection to jurisdiction to be waived. Because the court below fundamentally confused these two very different situations, it was forced to reach a conclusion that directly contradicts this Court's holding in *Clark v. Barnard*.

CONCLUSION

For the above-stated reasons, the Amicus respectfully asks this Court to reverse the decision of the court below, and hold that the State of Florida is properly subject to suit in federal court under Section 43(a) of the Lanham Act.

Respectfully submitted,

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